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BOOK NUMBER

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UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C.
August, 1956

Questions and Answers....

ABOUT THE SOIL BANK

Q: What is it?

A: The Soil Bank is a farm program, set up by an Act of Congress in May 1956. It has three main purposes:

1. To reduce burdensome surpluses of agricultural commodities.
2. To strengthen farm income.
3. To promote soil and water conservation.

Q: Why is this program necessary?

A: Because in spite of previous acreage control and marketing quota programs and efforts to sell more food and fiber abroad, we still have on hand far too much of certain crops, particularly the six "basic" crops: wheat, corn, cotton, rice, peanuts and tobacco.

Q: Why are these surpluses bad?

A: They depress the farm market. They congest storage. They raise the cost of government, because the government has to handle much of the surplus.

Q: Why will the Soil Bank solve this problem when other methods have not?

A: The Soil Bank does not operate instead of the other programs. It supplements them by offering a way for farmers to reduce production still more without having to lose current income.

Q: How does it work?

A: The Soil Bank has two parts. The first part, the Acreage Reserve, a short-term emergency program, directly attacks the surpluses. It can reduce present acreages of the six basic crops by some 20- to 25-million acres.

Q: How does the Acreage Reserve take land out of production?

A: Farmers who raise one or more of the basic crops are invited to cut their acreage of these crops below their present allotment, or corn "base acreage". In doing this, farmers will not lose previous allotment base, and furthermore, will be compensated to offset net income they would have received if these acres had been in crops.

Q: What becomes of acres put into the Acreage Reserve?

A: If a farmer signs up to take part in the Acreage Reserve, he contracts, a year at a time, to leave idle a certain number of acres he normally uses to produce one of the basic crops. (Minimum and maximum permissible acreage varies by crops.) He also agrees not to put those acres into any other crop, cut hay from them, or even graze them. However, limited grazing may be permitted under emergency drought conditions.

Q: How is the farmer compensated for this?

A: In return for placing land in the Acreage Reserve, the farmer will receive certificates. These have a value equal to the net income from crops he would have otherwise grown on those acres. They can be redeemed in cash or in some cases exchanged for an appropriate amount of a surplus commodity.

Q: Will the Acreage Reserve program operate next year as it did in 1956?

A: Not exactly. Because it was launched so late in the crop year in 1956, it required some special provisions for that season alone.

Q: What about the other part of the Soil Bank?

A: That is the Conservation Reserve. It is a long-term program aimed at taking another 20-25 million acres of land out of cultivation and devoting that land exclusively to conservation uses and practices.

Q: What will that accomplish?

A: It will:

1. Further help the surplus problem by holding down total crop production, and checking the shift of acres from one crop to another which may also be in surplus.
2. Take out of cultivation and protect from erosion much land that is not suited for crop production.
3. Build up soil resources against the time when a growing population or some emergency may call for greater production of cultivated crops.

Q: How does this differ from the Acreage Reserve?

A: The Acreage Reserve provides for production adjustment in the six basic crops. The Conservation Reserve applies to cropland in general. For another thing, the contracts are longer. A farmer agrees to keep land in a conservation use for a minimum of 3 years and a maximum of 10 years--unless he plants trees, when the maximum is 15 years.

Q: What kind of help does a farmer get under the Conservation Reserve?

A: Three kinds:

1. A payment to help defray the cost of establishing the conservation practices. It may be as high as 80 percent of the cost.
2. An annual payment (averaging about \$10 per acre nationwide) while the land is being held in the conservation reserve.
3. Technical help in selecting acres to put into reserve, and in establishing the practice.

Q: What does the farmer have to do to qualify for this help?

A: Three things:

1. He must maintain protective cover (grasses, legume or trees), water storage, or some other approved conservation practice on specified acres for the period of the contract.
2. He must keep within his already-established acreage allotments for any and all basic crops he may grow.
3. He must not graze those acres, or harvest any crop from them. The only exceptions are that he may cut timber, under approved practices, graze the land in time of severe drought if his land is within a "disaster" area, or take wildlife.

Q: Who is eligible to take part in the Soil Bank?

A: All farmers who have allotments or a corn "base acreage" for one or more of the basic crops can take part in the Acreage Reserve. Every farmer is eligible to take part in the Conservation Reserve.

Q: If farmers generally take part in the Soil Bank what do we accomplish?

A: We begin immediately to cut our surpluses down to a safe level on a planned, orderly basis. We strengthen the market for farm products. We help maintain farm income at a healthy level. And we reduce the cost of government. Non-farmers, as well as farmers, benefit.

Q: How does the Soil Bank fit in with other agricultural programs?

A: The Soil Bank is handled by the regular agencies in cooperation with the regular programs. The Commodity Credit Corporation and Commodity Stabilization Service handle administration. State, county and community Agricultural Stabilization and Conservation Committees (ASC) operate the program locally. The Agricultural Conservation Program Service is responsible nationally for the conservation practices eligible for payment under the Conservation Reserve. Cost sharing under the regular Agricultural Conservation Program is available for approved soil conserving practices on land under the Acreage Reserve or for additional protection on land in the Conservation Reserve. The Soil Conservation Service provides land capability information and technical assistance on practices. As they are needed, the technical resources of the Forest Service, Fish and Wildlife Service, the State foresters, the land-grant colleges, and others will be used to insure the success of the conservation phases of the Soil Bank.

Q: How does a farmer go about signing up for the Soil Bank?

A: The ASC Committee office in every county is the place to go to sign up for participation in the Soil Bank. In addition, the county agent or field representatives of any of the agricultural agencies can provide helpful information.

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